

CHAPTER: IX FINANCIAL ELIGIBILITY	SECTION: 2 DEFICIT BUDGETARY SITUATIONS	COMAR: 07.03.03.04 07.03.03.19
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DEFICIT BUDGET - EXCESSIVE EXPENDITURES

- A. When determining the eligibility of an applicant or the continuing eligibility of a customer, if the monthly living expenses exceed the known income or assets, the local department must:
1. Require the applicant or customer to provide an explanation of how the living expenses are or are not being met by:
 - Submitting written statements from individuals who are assisting them that include:
 - a. The individuals' name, address, telephone number
 - b. A summary of the type of living expenses being paid, the amount paid, and if paid directly to the vendor or given to the customer
 - Providing an explanation or proof that the living expenses are not being met, such as:
 - a. Requests for extensions of time that have been made and granted
 - b. Notices regarding possible loss of utility services that have been received
 - c. Letters or court notices received regarding overdue rent or unpaid mortgage that have been received
 2. Notify the applicant or customer that failure to comply will result in denying the application or closing the case if they:
 - Fail to provide the requested information, or
 - Provide an explanation which gives a source of income that was not reported and the unreported source of income makes them ineligible to receive TCA benefits
 3. Review and evaluate the information and verifications received and make a decision to continue the case, close the case, or deny the application request
 4. If information, documentation, or verifications are questionable, contact the source for verification (example: the same or similar signatures on verifications or documents should be checked)

CHAPTER: IX FINANCIAL ELIGIBILITY	SECTION: 2 DEFICIT BUDGETARY SITUATIONS	COMAR: 07.03.03.04 07.03.03.19
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- B. If the decision is made to continue, the case with a deficit budget, the local department must:
1. Clearly document the situation and circumstances in the narrative, and
 2. Monitor the situation, setting an alert to review in 90 days
- C. If the decision is made to deny the application or to close the continuing case, the local department must send timely and adequate notification of the pending adverse action including the following information:
1. A statement of the intended action
 2. The effective date of the intended action
 3. The reason for the intended action
 4. The Code of Maryland Regulations (COMAR) which supports the intended action
 5. The rights of the applicant or customer
 6. Appeal for Fair Hearings information
 - **DHR/FIA 334 form, Appeal for Fair Hearings**
 - A return envelope
 7. The circumstances under which the customer can provide the information for the assistance to continue (This applies to active cases only, not applications)
- D. If the case continues, but there is still a suspicion of unreported resources or income, a referral may be made to the Office of the Inspector General by:
1. Completing the **OIG 10 form - Referral for Investigation**, and
 2. Sending it to :
 - The Department of Human Resources
Office of the Inspector General
311 W. Saratoga Street
Baltimore, Maryland 21201

CHAPTER: IX FINANCIAL ELIGIBILITY	SECTION: 2 DEFICIT BUDGETARY SITUATIONS	COMAR: 07.03.03.04 07.03.03.19
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EXAMPLES:

Example 1. All expenses of the customer have been paid, but the amount of her expenses exceed the grant amount. She states her mother pays the rent for her directly to the landlord

- Have the customer get a statement from her mother or from the landlord which gives:
 - The name, address, and telephone number of the mother or the landlord
 - A summary of how the daughter is being helped
- The statement becomes a part of the case record, and the case manager includes the facts of the situation in the narrative
- If the customer does not get the statement, deny or close the case for failure to verify

Example 2. All expenses of the customer have been paid, but the amount of her expenses exceed the grant amount. She states her mother gives her the money to pay the landlord

- Verify the status of the money from the mother:
 - Is it a loan to be repaid to the mother?
 - Can the mother make the payment directly to the landlord?
- If it is a loan or if the mother will pay directly to the landlord, the money is not a resource to the customer
- If the mother continues to give the money directly to the customer, the money is a countable resource:
- If the income exceeds the TCA grant:
 - Deny the application, or
 - Close the case
 - Refer for an overpayment, if applicable

CHAPTER: IX FINANCIAL ELIGIBILITY	SECTION: 2 DEFICIT BUDGETARY SITUATIONS	COMAR: 07.03.03.04 07.03.03.19
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Example 3. Expenses exceed the grant amount. The customer's rent, gas and electric have not been paid. She has an eviction notice and a gas and electric turn-off notice.

- Process an emergency assistance grant, according to local plans, if the customer is eligible
- Make referrals to other community agencies
- Discuss options for the future:
 - Moving
 - Getting a roommate
 - Finding employment
- Stress the importance of reporting all changes in her circumstances

Example 4. The customer's rent has not been paid and he has no idea of how he will pay the outstanding rent, nor does he know of anyone who will help him. Continue the TCA grant. (Talk to this customer about planning for the possibility of eviction, the need to reduce expenses and options as listed above in example 3)

- Explore any and all other possible resources:
 - Emergency Assistance
 - Other departments within DHR
 - Other community agencies outside of DHR

Example 5. The landlord temporarily reduced the rent until the family has more income. However, the customer is expected to pay the higher rent amount when he is financially able

- Complete a narrative regarding this information
- Do a follow up during the next scheduled recertification or interim change

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ADDITIONAL INFORMATON

- Adverse Action - Adverse/Timely Notification
- Appeals and Hearings - Appeal Requests
- Appeals and Hearings – Intentional Program Violations
- Sanctions – Fraud and Fraudulent Misrepresentation
- Other Programs and Services